

The New COBRA Premium Subsidy - Part II

New Extended Election Period

Assistance eligible individuals (AEIs) not currently on COBRA will have a new extended election period. This new election period begins on February 17 and ends 60 days after the date the group health plan provides the AEI with a notice of the extended election period.

Group health plans have 60 days after February 17, 2009 to provide this notice. However, since the extended election period does not end until 60 days after the notice is provided, plans will want to send the notice as soon as practicable.

Notice Required by the American Recovery and Reinvestment Act

Group health plans will also need to revise existing election notices to be used for COBRA eligible individuals. Plans are permitted to use either a separate notice with the new information or incorporate the new information into existing COBRA materials. In general the revised election notice must include the following additional information:

- The forms necessary for establishing eligibility for the subsidy;
- The name, address, and telephone number to contact the plan administrator;
- A description of the extended election period;
- A description of the qualified beneficiary's obligation to notify the plan if the individual becomes eligible for another group health plan or Medicare. The notice must also include a description of the penalty if the individual fails to notify the plan; and
- A description – displayed in a prominent manner – of the qualified beneficiary's right to the subsidy including any conditions on entitlement to the subsidy.

In addition, if the plan permits the qualified beneficiary to select another health plan option, the notice must describe the individual's election options. Congress gives regulators 30 days after enactment in which to develop model notices.

What This Means For Counties

Counties have limited time to evaluate the new requirements, modify existing COBRA materials and revise existing procedures to comply. Key action steps:

- Review and update existing COBRA election notices.
- Create a procedure for individuals to notify the plan of eligibility for other coverage.
- Decide if the county will permit eligible individuals to elect a different health care option.
- Review the Plan Document, Summary Plan Description and other employee communications to identify areas for revision.
- Amend the Plan Document, Summary Plan Description and other employee communications as needed.

For more information, contact CTSI at 303-861-0507.